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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	NMLS ID. 397945
	)	
THE COMMISSIONER OF BUSINESS	)	ACCUSATION IN SUPPORT OF ORDER
OVERSIGHT,	)	REVOKING MORTGAGE LOAN
	)	ORIGINATOR LICENSE OF WILLIAM JOHN
	)	MICKLEY, JR.
Complainant,	)	
	)	
v.	)	
	)	
WILLIAM JOHN MICKLEY, JR.,	)	
	)	
<u>Respondent.</u>	)	

Complainant, the Commissioner of Business Oversight (Commissioner), finds against the Respondent William John Mickley, Jr. (Mickley) as follows:

**I.**

**Introduction**

The Commissioner seeks to revoke Mickley’s mortgage loan originator (MLO) license pursuant to Financial Code section 50513 because Mickley failed to disclose the fact that he was terminated from his job and that he was named in a civil lawsuit seeking to enjoin him from conducting business in financial services. In addition, revocation is necessary because Mickley cannot demonstrate that he has “such financial responsibility, character, and general fitness or to

1 command the confidence of the community” or that he “will operate honestly, fairly, and efficiently  
2 within the purpose of this division.”

3 **II.**

4 **Statement of Facts**

5 **A. MLO Licensure with DBO**

6 1. On January 18, 2011, Mickley filed an application for a MLO license with the  
7 Commissioner pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin.  
8 Code, § 50000 et seq.). The application was for employment as a MLO, and was submitted to  
9 the Commissioner by completing and filing a Form MU4 through the Nationwide Mortgage  
10 Licensing System & Registry (NMLS).

11 2. In submitting his application, Mickley was required to sign an oath and attestation agreeing  
12 “to keep the information contained in this [MU4] form current and to file accurate supplementary  
13 information on a timely basis....”

14 3. Based on the information provided in his application and his agreement to keep the  
15 information current and to timely supplement the information, Mickley was issued an MLO license  
16 on March 3, 2011.

17 4. As a prerequisite to having the MLO license, Mickley was required to have a sponsoring  
18 company, which he satisfied through his employer, Mount Olympus Mortgage Company, Inc.  
19 (MOMCo).

20 **B. Theft from Employer and Misrepresentation to Borrowers**

21 5. In early June 2014, Mickley was recruited to join a different employer - a competitor of  
22 MOMCo - Guaranteed Rate, Inc. (Guaranteed). In the course of his recruitment, Mickley  
23 surreptitiously and without MOMCo’s knowledge or consent, arranged to transfer or abetted in  
24 transferring MOMCo’s confidential customer loan information to Guaranteed. Such actions  
25 violated MOMCo’s written policies, which Mickley had signed and agreed to abide by as a  
26 condition of employment.

27 6. In addition, Mickley failed to disclose to MOMCo’s customers that their loans were being  
28 transferred to Guaranteed without their consent or knowledge. For example, on or about June 3,

1 2014, Mickley did not disclose to a customer that his application was no longer being processed by  
2 MOMCo. Instead Mickley falsely assured the customer that Guaranteed was merely the “rate lock  
3 department,” leaving the impression that MOMCo was still processing the loan.

4 **C. Failure to Disclose Job Termination**

5 7. On or about June 13, 2014, MOMCo terminated Mickley’s employment based in part on  
6 allegations that he was misappropriating MOMCo’s confidential and proprietary information,  
7 and diverting customers from MOMCo to Guaranteed. MOMCo notified DBO that same day  
8 by submitting an entry into the NMLS that it had terminated or “discharged” Mickley from its  
9 employment and that it would no longer be his sponsoring company.

10 8. On June 27, 2014 Mickley filed an amended MU4 application through the NMLS  
11 wherein he updated his “current employer” to remove MOMCo.

12 9. Despite amending his application, Mickley continued to answer “no” to Termination  
13 Disclosure question (Q)(2) on the MU4 application, which specifically asked:

14 (Q) Have you ever voluntarily resigned, been discharged, or permitted  
15 to resign after allegations were made that accused you of: (2) fraud,  
dishonesty, theft, or the wrongful taking of property?

16 Mickley attested under oath to the truth and completeness of this statement, despite notification that  
17 MOMCo had terminated his employment based in part on allegations of theft of its confidential and  
18 proprietary information.

19 10. Mickley subsequently submitted at least 17 additional amended MU4 applications through  
20 NMLS from 2014 to 2017. In each of the 17 amended MU4 applications, Mickley continued to fail  
21 to change his response to Termination Disclosure question (Q)(2) to disclose that he was discharged  
22 from MOMCo after allegations of fraud, dishonesty, theft, or the wrongful taking of property were  
23 made against him.

24 **D. Failure to Disclose Lawsuit**

25 11. On or about June 19, 2014, MOMCo initiated a civil lawsuit against Mickley in Orange  
26 County Superior Court. The complaint in the lawsuit alleged that Mickley, working with other  
27 MOMCo employees “conspired with Guaranteed, during the course of several months, to carry  
28 out a scheme to defraud MOMCo of its confidential and proprietary information” and

1 “misappropriated MOMCo’s confidential and proprietary information and directed MOMCo  
2 customers to Guaranteed in violation of their respective agreements with MOMCo, as well as  
3 California common law and statutory laws.” Furthermore, the complaint included a prayer for  
4 relief seeking an “injunction restraining and enjoining” Mickley and others “from disclosing or  
5 utilizing any confidential, proprietary and trade secret protected information obtained from  
6 MOMCo including, but not limited to, the identity of MOMCo’s customers and their  
7 preferences for MOMCo’s loan origination services.” In other words, the lawsuit brought by  
8 MOMCo sought injunctive relief that prohibited Mickley from engaging in lending services for  
9 borrowers whose files and identities Mickley had stolen from MOMCo and given to  
10 Guaranteed.

11 12. Mickley was personally served with the summons and complaint by on or about June 25,  
12 2014. Despite notification that he was named in a civil action related to financial services where  
13 the plaintiff was seeking to enjoin him in connection with financial services-related activity,  
14 Mickley never disclosed this fact to the Commissioner. Mickley amended his MU4 application  
15 at least 17 times after being served with the summons and complaint, but did not change his  
16 answer from “no” to “yes” in response to Civil Disclosure question (J)(1) and (2) on the MU4  
17 application, which specifically asked:

18 (J)(2) Is there a pending financial services-related civil action in which  
19 you are named for any alleged violation described in (J)(1)?

20 (J)(1) Has any domestic or foreign court ever: (a) enjoined you in  
connection with any financial services-related activity?

21 13. From the time he was served with the summons and complaint until he was dismissed  
22 from the lawsuit on February 3, 2016, Mickley did not amend his MU4 application to disclose  
23 the lawsuit.

### 24 III.

#### 25 Applicable Law

26 14. Financial Code section 50513 authorizes the Commissioner to revoke a mortgage loan  
27 originator license if the licensee fails at any time to meet the requirement of Financial Code section  
28 50141. (Fin. Code, § 50513, subd. (a)(2).) Financial Code section 50141 requires the Commissioner

1 to deny an application for a mortgage loan originator license if the Commissioner cannot find that  
2 the applicant “has demonstrated such financial responsibility, character, and general fitness or to  
3 command the confidence of the community and to warrant a determination that the mortgage loan  
4 originator will operate honestly, fairly, and efficiently within the purpose of this division.” (Fin.  
5 Code, § 50141, subd. (a)(3).)

6 15. In addition, Financial Code section 50513 allows the Commissioner to revoke a mortgage  
7 loan originator license if an applicant “withholds information or makes a material misrepresentation  
8 in an application for license or license renewal.” (Fin. Code, § 50513, subd. (a)(2).)

#### 9 IV.

#### 10 Grounds for Revoking Mickley’s MLO License

11 16. Based on the foregoing findings of fact, the Commissioner has determined that there are  
12 grounds to revoke Mickley’s MLO license under Financial Code sections 50141 and 50513, for the  
13 following reasons:

14 Mickley secretly misappropriated confidential and proprietary information, including  
15 customer information, from his former employer, MOMCo, knowing that such action violated  
16 MOMCo’s written policies, which Mickley had agreed to abide by. Moreover, Mickley failed to  
17 inform MOMCo’s customers that their loan applications were actually being processed by  
18 Guaranteed, and instead misrepresented to at least one customer that Guaranteed was just handling  
19 the “rate lock” for the customer’s loan. As such, Mickley has failed to demonstrate character, failed  
20 to demonstrate that he can “command the confidence of the community” or that he “will operate  
21 honestly, fairly, and efficiently” with respect to his job as a MLO.

22 In addition, Mickley withheld information regarding the termination of his employment with  
23 MOMCo, and failed to disclose to the Commissioner the fact that he had been named in a lawsuit in  
24 which an injunction was sought against him to prevent him from engaging in certain financial  
25 services-related activity.

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V.

**Conclusion**

17. The Commissioner finds, by reason of the foregoing, that Mickley fails to meet the requirement of Financial Code section 50141 and that he withheld and misrepresented material information in a MLO license renewal application.

WHEREFORE, notice is hereby given of the Commissioner's intention to issue an order under Financial Code section 50513 to revoke the mortgage loan originator license of William John Mickley, Jr..

Dated: October 31, 2017  
Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
KENNY V. NGUYEN  
Senior Counsel